

Influence of Human Resource Practices on Supply Chain Performance of Automobile Firms in Chennai

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Article Info

Volume 81

Page Number: 6317 - 6321

Publication Issue:

November-December 2019

Abstract:

Supply chain management Supply Chain Management which deals with deals with movement of goods from the place of origin to the place of consumption should be professionally managed in order to help the organisation enjoy competitive advantage. This could further be improved through the use of information technology. By using technology starting from the point of procurement of materials through storing of raw materials, work in progress and finished goods the organisational could be able to lessen the period involved in the transfer of goods and services which no doubt would help in meeting needs of the customer and delighting the customer. In this context, this study become indispensable as it is felt that such a study which has human resource practices as the primary element which helps to motivate human resources. such a study would help in ensuring that talented employees possessing the right type of knowledge, skills, and motivation are placed into the organisation so as to ensure effective supply chain process. The primary objective is to study the influence of human resource practices on supply chain performance of automobile firms in Chennai. The study has shown that Organizations can create much more awareness among employees about change management. Change management cannot be implemented effectively unless the smooth cooperation between employees and management.

Article History

Article Received: 5 March 2019

Revised: 18 May 2019

Accepted: 24 September 2019

Publication: 28 December 2019

Keywords: Supply Chain process, Practice adopted with respect to HR

I. INTRODUCTION

Organisations invest in human resource practices looking for betterment in relationship with the employees expecting employee commitment. As business and business models employed by organisations are becoming more and more complicated and complex, it has become indispensable for organisations to concentrate on formatting strategies which could help them in combating the challenges arising out of such complication and complexities and increased competition. Hence in line with this there is also a need for the organisation to formulate and implement unique practices with respect to the management of the human resources. The practices developed and implanted such be such that they help in motivating human resources involved in the entire supply chain process, such efforts would also help an organisations to have friendly relations between the supply chain partner involved in the supply chain process which ultimately could result in timely sharing of knowing, As a result it can be seen that there is a higher level of coordination with the supply

chain process being more streamlined which ultimately helps in providing a unique new competitive advantage to such companies.

At the same time, as a result of increased competition, globalization, liberalization, privatization, commoditization and technological changes supply chains themselves have become very complex. In spite of companies have realized that effective management of the supply chain could serve to enhance a company's competitive advantage, there is still an element of doubt which as to what extent the same would depend on the performance of the human resources deployed in order to achieve the desired results.

II. REVIEW OF LITERATURE

There is an agreement among practicing supply chain professionals that there exists a strong relationship

Revised Manuscript Received on July 22, 2019.

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between management of the supply chain process and the practices adopted by the company with respect to its human resources. This interdependence seems to be gradually increasing and necessitating the need for continuously ensuring that there is a proper integration of supply chain with the HR activities of the organisation.

Survey of literature has shown that there is limited research done to prove what influence the practices of formulated and having in place a good human resources system could on the supply chain process. The existing literature focusses its attention more on the need for effect of hiring process.

Research studies have also tried to stress upon the need for studying the influence of HR practices on the supply chain which would in one way would ensure continuous learning as the field as it matures. This would also help in highlighting how practices relevant to the human resource function could help support and strengthen the supply chain process. On the other hand it is also to be noted that practices relevant to human resource management could have a positive influence in bringing about development in employees along with enhancement in their competencies. Such developments are bound to enhance the overall performance of the supply chain process in a beneficial manner to the organisation as a whole.

On the other hand review of literature has also highlighted that there are ample studies which clearly indicate a lack of HR research with respect to effective supply chain management.

III. NEED FOR THE STUDY

In this context, this study becomes indispensable as it is felt that such a study which has human resource practices as the primary element which helps to motivate human resources, would help in ensuring that talented employees possessing the right type of knowledge, skills, and motivation are placed into the organisation so as to ensure effective supply chain process.

IV. STATEMENT OF THE PROBLEM

Supply chain which includes all the supply chain partners involved in process starting from the origin of raw materials to the final stage of delivering the product into the hands of the ultimate consumers involves both upstream and downstream flows of products in order to ensure effective last mile delivery to the end users. The organizations involved in the upstream or downstream process could either be a single firm or a network which include vendors of raw material, third-party logistics service providers, distributors involved in the process and the outlets let up for sales. In this process the organisation could also ensure that there is a long-term improvement in the performance of each company involved in the supply chain process together with wholistic improvements in the supply chain process.

Unless every organization realizes the need to become strategic with respect to managing the supply chain process, it is quite unlikely that there would be a visible

change in the process. By ensuring that good practices and processes are formulated and implanted especially with respect to the management of the human resources, it may not be possible for organisations to reap the benefit of the above.

The earlier organisations realize that unlike machines human resources employed have to be motivated to earn their fullest commitment, it may become difficult for them to see the demonstration the effectiveness of the supply chain process.

V. OBJECTIVES

Specific Objective

- To study the influence of human resource practices on supply chain performance of automobile firms in Chennai

Secondary Objectives

- To identify the various HR practices of automobile firms in Chennai
- To study the influence of HR Practices on supply chain dimensions of automobile firms in Chennai
- To study the influence of supply chain dimensions on supply chain performance

VI. METHODOLOGY

The research design is empirical in nature. This study depends heavily upon data collected with the help of a well-structured questionnaire. The research tool used for this study is a non-disguised standardized questionnaire for collecting information from target respondents.

The sample includes employees working at two levels of management from major automobile giants operating in Chennai including companies of Indian origin and MNCs. Multi stage stratified random sampling method would be used.

VII. DATA ANALYSIS AND INTERPRETATION

Table 1 Mean and SD for Level of Awareness Level towards change management

Statements	Mean	SD
Both extrinsic (external outside environment) and intrinsic (within organization) factors lead to change management	3.144	1.287
Change management helps in achieving clear goals and accomplishing tasks	3.487	0.993
Change should occur at both organizational level and individual levels	3.628	1.099
Change management is an opportunity to explore new ideas / concepts.	3.144	1.229
Change management is based on redefining and reinterpreting existing norms	3.476	0.952
Change management promotes better work culture in the organization	3.568	1.038

Feedback by employees are vital for implementing change in organization	3.515	1.105
Change management helps in achieving the desired business outcome	3.489	1.079

Table 1 shows the level of agreement of Production Executives with respect to the various aspects of change management. The questionnaire which was a closed ended contained statements in line with Likert scale with 1 rated as strongly disagree and 5 rated as strongly agree.

Various aspects of change management which have a mean score of more than 3.5 include three statements which include that change should occurs at both organizational level and individual levels showing the highest mean score of 3.628 followed by change management promotes better work culture in the organisation showing a mean score of 3.568 followed by suggestions and feedback by the employees serving as a vital input for implementation of change in the organisation having a score of 3.515. change management being an opportunity to explore new ideals/concept has the lowest mean score of 3.144

Table 2 : Mean and SD for Level of agreement on ways of handling resistance to change

Statements	Mean	SD
Effective communication and clear understanding of issues is a technique to attract people towards change	3.502	1.096
Rewards and recognition are vital for managing change	3.386	1.131
Training and participation of employees helps in improvising change management	3.347	1.153
Small group activities such as "quality circles" help in bringing about a change in mindset of employees	3.341	1.206
Resistance to change can be overcome by motivational factors	3.595	1.159

Table 2 shows the level of agreement of Production Executives with respect to the various ways of handling resistance to change.

Aspects of change management which include that resistance to change could be overcome by motivational factors showing the highest mean score of 3.595, followed by effective communication and clear understanding of issues being a technique for attracting people towards change showing a mean score of 3.502.

Table 3 : Mean and SD for Level of agreement on advantages of change management

Statements	Mean	SD
Change management helps in increasing profits and reducing costs".	3.685	1.164
Change management helps in saving time and reducing wastage".	3.384	1.176
Change management leads to better performance".	3.373	1.088

Change management helps in bringing about flexibility within the organization"	2.987	1.246
Change management helps in investing in new technologies, thereby increasing overall efficiency of the organization and employees".	3.475	1.117

Table 3 shows the level of agreement of Production Executives with respect to the various advantages of change management.

Change management helping in increasing profits and reducing costs has the highest mean score of 3.685 and the least mean score is got by change management helping in bringing about flexibility within the organisation with a mean score of 2.987.

CHI SQUARE TESTING

Null Hypothesis: *There is no association between age and level of agreement on change management increasing profits and reducing costs*

Table 4 : Chi Square for association between age and level of agreement on change management increasing profits and reducing costs

Age	Low	Moderate	High	Row Total	Chi square value	P value
Below 35 years	9 [52.9] (20.9)	7 [41.2] (10.4)	1 [5.9] (2.5)	17	12.793	\ 0.047*
35 – 40 years	25 [33.3] (58.1)	30 [40.0] (44.8)	20 [26.7] (50.0)	75		
40 – 45 years	6 [13.6] (14.0)	24 [54.5] (35.8)	14 [31.8] (35.0)	44		
Above 45 years	3 [21.4] (7.0)	6 [42.9] (9.0)	5 [35.7] (12.5)	14		
Total	43	67	40	150		

Since P value is less than 0.05, the null hypothesis is rejected at 5% level of significance. Hence there is association between age of Production Executives and their level of agreement on change management increasing profits and reducing costs. The above table also shows that Production Executives who are above 40 years of age have a higher level of agreement with respect to change management increasing profits and reducing costs as compared to Production Executives who are less than 40 years of age.

Chi square for association between total experience and level of agreement on change management increasing profits and reducing costs

Table 5 : Chi Square for association between total experience and level of agreement on change management increasing profits and reducing costs

Experience in years	Low	Moderate	High	Total	Chi square value	P value
Below 10 years	8 [22.9] (18.6)	13 [37.1] (19.4)	14 [40.0] (35.0)	35	9.600	0.143
10 – 15 years	19 [38.0] (44.2)	21 [42.0] (31.3)	10 [20.0] (25.0)	50		
15 – 20 years	14 [25.9] (32.6)	29 [53.7] (43.3)	11 [20.4] (27.5)	54		

Above 20 years	2 [18.2] (4.7)	4 [36.4] (6.0)	5 [45.5] (12.5)	11		
Total	43	67	40	150		

¶ P value being greater than 0.05, the null hypothesis is therefore accepted proving there is no association between total experience of Production Executives and their level of agreement on change management leading to an increase in profits and reducing costs.

From the above it is also clear that Production Executives who have an experience of less than ten years, have shown the highest level of agreement with respect to change management increasing profits and reducing costs..

Null Hypothesis: There is no association between position occupied and level of agreement on change management increasing profits and reducing costs

Table 6 :Chi Square for association between position occupied and level of agreement on change management increasing profits and reducing costs

Position	Low	Average	High	Row Total	Chi square value	P value
Middle Level management	7 [14.0] (16.3)	17 [34.0] (25.4)	26 [52.0] (65.0)	50	41.96	0.000**
Junior Level Management	10 [20.0] (23.3)	26 [52.0] (38.8)	14 [28.0] (35.0)	50		
Supervisors	26 [52.0] (18.6)	24 [48.0] (23.9)	- - -	50		
Column Total	43	67	40	150		

P value being less than 0.01, the null hypothesis is rejected thereby proving there is association between position occupied by Production Executives and their level of agreement on change management increasing profits and reducing costs.

The above table also makes it evident that there is high level of agreement among Production Executives who are placed at the middle level management as compared to Production executives who are either at the junior management level or are supervisors.

MULTIPLE REGRESSION

Hypothesis : Verification of whether Independent Variables used have a causal effect on the Dependent Variable

- The dependent variable:** Level of agreement of Production Executives on Change management increasing profits and reducing costs

2. Independent Variables:

- Age (X_1)
- Educational Qualifications (X_2)
- Total Experience (X_3)
- Position occupied (X_4)

The method used is stepwise method

3. Method : Stepwise method involving 6 steps. The calculated R square value is 0.766 with a F value of 10.458. The P value is found to be 0.000.

Table 7 :Variables In The Equation

Independent Variables	Unstandardised coefficient	SE of B	Standardized coefficient (Beta)	t Value	P Value
X_1	-1.44	3.158	-0.032	0.454	0.651
X_2	0.526	1.929	0.020	0.273	0.785
X_3	-2.257	1.332	-0.133	1.694	0.092
X_4	-9.237	1.51	0.492	6.095	0.000**

		5			
Constant	146.475	8.07		18.14	0.000**
		3		4	

Note : ** P value is significant at 1% level

The regression mode which has Age (X_1), Educational qualification (X_2), Total experience (X_3), and Position occupied in the organisation (X_4) as the independent variables.

Since the value of R^2 is calculated as 0.766, it indicates that 76.6% of the variation in overall opinion of Production Executives on their level of agreement on change management increasing profits and reducing costs could be assigned to the found independent variables namely:

- Ag (X_1)
- Educational Qualification (X_2)
- Total Experience (X_3)
- Position occupied (X_4)

It can thus be concluded that the regression model is significant with the multiple regression equation of it being as given below:

$$Y = 146.475 - 1.44X_1 + 0.526X_2 - 2.257X_3 - 9.237X_4$$

P value being less 0.01 the null hypothesis is rejected thus proving there is difference in the opinion of Production Executives with respect to their level of agreement on change management increasing profits and reducing costs. With respect to the various positions occupied by Production Executives and no significant difference in the opinion of Production Executives with respect to their level of agreement in relations to the other variables age, educational qualification and total experience of Production Executives.

VIII.FINDINGS

On awareness of Production executives with respect to change management it can be seen that they believe that it should happen at both organizational level and individual level and that change management promotes better work culture in the organisation.

With respect to resistance to change they believe that it could be overcome by including some motivational factors and by ensuring effective communication and clear understanding of issues. With respect to the various advantages of change management. Change management they are of the opinion that it helps largely in increasing profits and reducing costs.

Those Production Executives who are in the age group of above 40 years have shown a higher level of agreement with respect to change management increasing profits and reducing costs. Lower level of agreement is seen to be indicated by those who are in the age group of less than 40 years.

Production Executives with less than 10 years of experience show highest level of agreement with respect to change management increasing profits and reducing costs.. Production Executives who are placed at the middle level management as compared to Production executives who are either at the junior management level or are supervisors.

IX. CONCLUSION

Organizations can create much more awareness among employees about change management. Change management cannot be implemented effectively unless the smooth cooperation between employees and management. The feedback and suggestions given by the employees could help the organisation to review the effectiveness. Change management. Attracting people towards change can be easily achieved through motivational factors. The top management must give sequential and regular training to the employees in order to avoid the resistance to change.

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AUTHORS PROFILE



Ms. M. Sheeba M.Ed., M.Phil., Professional with 10 years of experience in teaching at the UG level. She teaches various subjects like Marketing, HR, and Accounting. She has actively participated in implementing various methods that developed self-skills among students and also facilitated to develop relations between students and teaching staffs. Currently employed as an Assistant Professor in the Department of B.Com ISM in Guru Nanak College.



Dr. S. LATHA, Assistant Professor & Head Department of Commerce have 24 years 4 months of Experience in teaching PG and UG students. I have taken my best effort with adoption of knowledge in changing the curricula which are required for the present era. Curriculum was designed for UG, PG and PhD program under autonomous CBCS, non autonomous pattern. I had Presented more than 10 papers and also participated in seminars and workshops. And also I am part of Academic council member 2016 onwards, Doctoral Committee member and Board of studies member. I have actively participated in National literary mission during my college days. I usually visit many backward villages in and around our working place and interact with the villagers and speak about the importance of education especially importance of education to the girl child and the Differently abled students. I often motivate the students to educate the illiterates living in their surroundings.



Prof. Dr. A. Shameem has more than 35 years of experience and have served in various capacities including Head of the Department, Dean and Placement Coordinator. Dr.A.Shameem has done B.Com, MBA, PG Diploma in Management Research, Ph.D. She is a Certified Resource Person by SEBI and has conducted many Programs on behalf of SEBI on Financial Planning for different stakeholder groups which have been highly appreciated. She has worked with leading B Schools in India. Currently employed as Professor in AMET Business School, Chennai.